NOVA SCOTIA
HOUSING DEVELOPMENT CORPORATION

BUSINESS PLAN
2009-2010

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MESSAGE FROM THE NOVA SCOTIA HOUSING DEVELOPMENT CORPORATION

On behalf of the Nova Scotia Housing Development Corporation, we are pleased to present the corporation's 2009-2010 Business Plan.

2009-2010 marks a historic year for Nova Scotia, having successfully secured funding to support an investment of $133 million in housing infrastructure. Over the course of the next two years, we will rejuvenate and green Nova Scotia's public housing stock, create additional housing for seniors, persons with disabilities, and affordable housing options for low-income Nova Scotians, as well as enable government to continue with the Residential Rehabilitation Assistance Program.

In 2009-2010, the corporation, through its mortgage lending program, will continue to support the Department of Health in the development of new long term beds, facilitate the delivery of the province's EnerGuide Loan Program, and enable the commercial child care sector to improve its facilities and create additional child care spaces.

This year, we will also continue to strengthen accountability and make our business processes more efficient. This will be achieved through the implementation of new technology to support our mortgage and loan portfolio and by moving forward on the recommendations made in last year's comprehensive governance and operational review.

We look forward to continuing our work with the corporation, its many stakeholders, partners and organizations as we help provide Nova Scotians with safe, comfortable homes.

Denise Peterson-Rafuse
Minister, Department of Community Services

Judith F. Ferguson
Deputy Minister, Department of Community Services

1.0 MISSION/MANDATE

The Nova Scotia Housing Development Corporation, created in 1986, provides financing for government's social and supported housing programs. It is responsible for holding the province's social housing assets and consolidating the revenues and expenditures associated with operating these assets.

Created by the *Nova Scotia Housing Development Corporation Act*, the corporation's activities include:

- the acquisition and disposal of real estate
- negotiating agreements
- borrowing and investing funds
- lending money and guaranteeing payments
- mortgaging property.

The staff of the Department of Community Services carry out the management and administration functions of the corporation, but are not direct employees.

2.0 STRATEGIC GOAL

The goal of the Nova Scotia Housing Development Corporation is to ensure a range of financial tools are available to support government's housing objectives.

3.0 CORE BUSINESS AREAS

The corporation's core business functions are:

- hold and finance provincially owned social housing assets in support of government's housing programs
- secure and manage funding to support social housing
- provide mortgage guarantees and/or loans to qualifying housing projects
- manage the funded reserves associated with provincial housing programs to protect the province from loss.

4.0 PRIORITIES

The following priorities for 2009-2010 are in addition to the many ongoing activities that Community Services staff carry out on behalf of the corporation.

Priority: Investing in Housing Infrastructure

The corporation, on behalf of the Province, negotiated with Canada Mortgage and Housing Corporation to secure funding to support the Province's housing objectives. When combined with provincial funds this will result in a total funding envelope of $133 million, the most significant investment in housing in decades. Over the course of the next two years, these funds will be used to rejuvenate and green Nova Scotia's public housing stock, create additional housing for seniors, persons with disabilities, and affordable housing options for low-income Nova Scotians, as well as enable government to continue with the Residential Rehabilitation Assistance Program.

Priority: Funding Support for Government's Public Policy Agenda

The corporation, on behalf of the Province, works to ensure that there are a range of capital financing tools to support government's public policy agenda.

In 2009-10 the corporation will:

- facilitate the creation of mortgage instruments to enable the Department of Health to proceed in a timely and fiscally sustainable manner with its Long Term Care Renewal Initiative;
- make loans available to the commercial child care sector for infrastructure improvements enabling these centres to increase capacity and improve the quality of their physical plant; and
- on behalf of Conserve Nova Scotia and Service Nova Scotia and Municipal Relations, facilitate the creation and management of loans to support the delivery of the EnerGuide Loan Program.

Priority: Strengthen Accountability and Improve the Efficiency of the Corporation's Business Processes

In 2008-2009, a review of the governance structure of the corporation was completed. The review examined ways to strengthen accountability and improve the efficiency and effectiveness of the corporation's operations. In 2009-2010, the corporation will focus on implementing these

recommendations.

Priority: Implement New Technology System for the Mortgage and Loan Portfolio

Since the early 1990s, the current mortgage and loan software has been used to manage the delivery and administration of the mortgage and loan portfolio. This system currently tracks in excess of $200M in mortgages, loans, forgivable loans and grants for social housing programs, long term care facilities, disabled persons facilities, Canada Mortgage and Housing Corporation (CMHC) programs and child care programs. The value of mortgages and loans under administration is expected to grow significantly over the next two to three years.

In 2009-2010, work will continue on replacing the current mortgage and loan software used to manage the delivery and administration of the mortgage and loan portfolio. The new financial management tool will be custom built, and incorporated with the department's Integrated Case Management (ICM) and SAP systems.

5.0 Performance Measure

The corporation provides financing assistance to qualified agencies to purchase, lease or upgrade housing/shelter related facilities. This involves giving the agencies preferred interest rates for longer term periods than would be provided by private lenders. This is particularly important to Community Services and the Department of Health, since publically subsidized per diem rates include financing costs.

The key performance measure for the corporation is the amount of financial assistance and/or mortgage guarantees provided to social housing projects.

Core Business Area: Provide mortgage guarantees and/or loans to qualifying housing projects					
Outcome	**Measure**	**Data**	**Target 2009-10**	**Target 2010-11**	**Strategic Action**
Government provides additional options in managing capital financing for government sponsored housing.	The amount of financial assistance and/or mortgage guarantees provided to social housing projects.	2007-08: 9 projects at a total borrowing of $67M 2006-07: 2 projects at a total borrowing of $9 million 2005-06 (BY): 10 projects at a total borrowing of $12.87 million	Target to be determined	Target to be determined	Due primarily to the Department of Health's Long Term Bed Renewal initiative, the number of projects that will be approved for financing is expected to increase significantly over the next five to ten years. The corporation will also continue to foster and pursue partnering opportunities with other departments and government agencies.

6.0 Budget

The following two tables provide information on the Corporation's funding and expenditures.

Nova Scotia Housing Development Corporation Funding			
Funding Source	**2008-09 Estimate**	**2008-09 Actual**	**2009-10 Estimate**
Revenue from Government Sources	127,300	112,464	147,200
Revenue from Rents	51,200	53,065	52,200
Interest, Revenue from Land Sales and Other Revenue	3,300	5,487	15,500
Total Funding	181,800	171,016	214,900

Nova Scotia Housing Development Corporation Expenditures			
Expenditure Source	**2008-09 Estimate**	**2008-09 Actual**	**2009-10 Estimate**
Interest on Long Term Debt	25,700	26,543	38,500
Property Management and Operation	57,500	51,276	44,900
Maintenance and Capital Improvements	20,500	30,087	32,200
Housing Renovation and Affordable Housing	40,000	16,625	19,800
Transfer to Housing Services	22,000	21,035	16,600
Amortization of Investment in Social Housing	13,100	12,377	12,900
NS Housing Stimulus Plan *			44,500
Administration Fee and Cost of Land Sold	3,000	13,073	5,500
Total Expenditures	181,800	171,016	214,900

*** This Stimulus Plan represents capital and maintenance expenditures on Public Housing through the Housing Authorities and Social Housing through the Department**